

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U904G) for Authority to Increase its Gas Revenue Requirements to Reflect its Accomplishments for Demand-Side Management Program Year 1994 and 1997, and Low-Income Program Years 2002 and 2003 in the 2004 Annual Earnings Assessment Proceeding ("AEAP").

Application 00-05-002

And Related Matters.

Application 00-05-003
Application 00-05-004
Application 00-05-005
Application 01-05-003
Application 01-05-009
Application 01-05-017
Application 01-05-018
Application 02-05-002
Application 02-05-003
Application 02-05-005
Application 02-05-007
Application 03-05-002
Application 03-05-003
Application 03-05-004
Application 03-05-009
Application 04-05-005
Application 04-05-010
Application 04-05-008
Application 04-05-012

**ADMINISTRATIVE LAW JUDGE'S RULING SOLICITING COMMENTS ON
ENERGY DIVISION'S AUDIT OF THE INTERRUPTIBLE LOAD
MANAGEMENT PROGRAM MEMORANDUM ACCOUNT**

As discussed in previous scoping memos, this consolidated proceeding is the forum for the Commission's review of administrative costs booked to the Interruptible Load Program Memorandum Account (ILPMA) by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).¹ By Decision (D.) 03-08-028, the Commission directed Energy division to evaluate the reasonableness and accuracy of the costs recorded in the ILPMAs.

On May 20, 2005, Energy Division's auditor submitted his reports on the costs recorded in the ILPMAs by PG&E, SDG&E, and SCE, for the years 2001, 2002, and 2003. Copies of these reports are posted on the Commission's website at <http://www.cpuc.ca.gov/static/industry/electric/interruptible+accounts/index.htm>. The auditor's findings and recommendations are summarized below:

PG&E:

- Energy Division recommends that PG&E recover **\$148,202** of incremental costs.
- PG&E's total recovery request was \$2,480,628 for 2001, 2002 and 2003. However, PG&E already included \$2,332,426 of ILMP incremental costs in its bankruptcy settlement proceedings via the Headroom Account.
- PG&E did not record in the ILPMA the incentive payments credited from its customers' bills totaling \$1 million but included the amount in its bankruptcy settlement proceedings. Otherwise, the request is \$1 million higher.

¹ See Administrative Law Judge's Ruling, March 19, 2003 in A.00-05-002, A.01-05-003, A.02-05-002 et al. and Assigned Commissioner's Ruling, August 7, 2003 in A.03-05-002 et al.

- Energy Division sampled 75% of PG&E's total incremental costs for 2001, 2002, and 2003. Increment costs were mostly labor costs.

SCE:

- Energy Division recommends that SCE recover **\$8,750,137** of incremental costs. Original request was \$8,760,747. Audit adjustments totaling \$10,610 relate to labor costs, allocation problems and interest adjustment.
- SCE spent \$3,505,701 for non-labor costs (41%) and \$4,435,540 for incentive payments (51%) out of \$8,760,747 total incremental costs. Labor costs were very minimal.
- Energy Division sampled 70% of SCE's total incremental costs for 2001, 2002, and through 5/23/03.

SDG&E:

- Energy Division recommends that SDG&E recover **\$1,565,226** of incremental costs. Original request was \$1,734,900. The difference of \$169,674 refers to disallowed incentive compensation plan cost of \$126,986, erroneous accounting entry of \$39,153, and interest adjustment of \$3,586.
- SDG&E's incremental costs were made up of 61.5% of labor and overhead costs and 38.5% of non-labor costs.
- Energy Division sampled 84% of SDG&E's total incremental costs for 2001, 2002, and 2003.

By this ruling, I am soliciting written comments on Energy Division's audit report and recommendations from SDG&E, PG&E, SCE and interested parties to this proceeding.

IT IS RULED that:

1. Opening comments on Energy Division's audit reports on amounts posted to the ILPMAs by PG&E, SCE, and SDG&E are due by June 15, 2005. Reply comments are due by June 29, 2005. Copies of those reports are available on the Commission's website at

<http://www.cpuc.ca.gov/static/industry/electric/interruptible+accounts/index.htm>.

2. Comments shall be filed at the Commission's Docket Office in the above-captioned consolidated proceedings and served using the Electronic Service Protocols attached to this ruling and consistent with the electronic service provisions of Rule 2.3 and 2.3.1. The Commission's Rules of Practice and Procedure are posted at <http://www.cpuc.ca.gov/PUBLISHED/RULES PRAC PROC/44887.htm>.

Dated June 7, 2005, at San Francisco, California.

/s/ MEG GOTTSTEIN by LTC

Meg Gottstein
Administrative Law Judge

ELECTRONIC SERVICE PROTOCOLS

Party Status in Commission Proceedings

These electronic service protocols are applicable to all “appearances.” In accordance with Commission practice, by entering an appearance at a prehearing conference or by other appropriate means, an interested party or protestant gains “party” status. A party to a Commission proceeding has certain rights that non-parties (those in “state service” and “information only” service categories) do not have. For example, a party has the right to participate in evidentiary hearings, file comments on a proposed decision, and appeal a final decision. A party also has the ability to consent to waive or reduce a comment period, and to challenge the assignment of an Administrative Law Judge (ALJ). Non-parties do not have these rights, even though they are included on the service list for the proceeding and receive copies of some or all documents.

Service of Documents by Electronic Mail

For the purposes of this proceeding, all appearances shall serve documents by electronic mail, and in turn, shall accept service by electronic mail.

Usual Commission practice requires appearances to serve documents not only on all other appearances but also on all non-parties in the state service category of the service list. For the purposes of this proceeding, appearances shall serve the information only category as well since electronic service minimizes the financial burden that broader service might otherwise entail.

Notice of Availability

If a document, including attachments, exceeds 75 pages, parties may serve a Notice of Availability in lieu of all or part of the document, in accordance with Rule 2.3(c) of the Commission’s Rules of Practice and Procedure.

Filing of Documents

These electronic service protocols govern service of documents only, and do not change the rules regarding the tendering of documents for filing. Documents for filing must be tendered in paper form, as described in Rule 2, *et seq.*, of the Commission’s Rules of Practice and Procedure. ***Moreover, all filings shall be served in hard copy (as well as e-mail) on the assigned ALJ.***

Electronic Service Standards

As an aid to review of documents served electronically, appearances should follow these procedures:

Merge into a single electronic file the entire document to be served (e.g., title page, table of contents, text, attachments, service list).

Attach the document file to an electronic note.

In the subject line of the note, identify the proceeding number; the party sending the document; and the abbreviated title of the document.

Within the body of the note, identify the word processing program used to create the document. (Commission experience indicates that most recipients can open readily documents sent in Microsoft Word or PDF formats.)

If the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternative service (paper mail shall be the default, unless another means is mutually agreed upon).

Obtaining Up-to-Date Electronic Mail Addresses

The current service lists for active proceedings are available on the Commission's web page, www.cpuc.ca.gov. To obtain an up-to-date service list of e-mail addresses:

- Choose "Proceedings" then "Service Lists."
- Scroll through the "Index of Service Lists" to the number for this proceeding.
- To view and copy the electronic addresses for a service list, download the comma-delimited file, and copy the column containing the electronic addresses.

The Commission's Process Office periodically updates service lists to correct errors or to make changes at the request of parties and non-parties on the list. Appearances should copy the current service list from the web page (or obtain paper copy from the Process Office) before serving a document.

Pagination Discrepancies in Documents Served Electronically

Differences among word-processing software can cause pagination differences between documents served electronically and print outs of the original. (If documents are served electronically in PDF format, these differences do not occur.) For the purposes of reference and/or citation in cross-examination and briefing, all parties should use the pagination found in the original document.

CERTIFICATE OF SERVICE

I certify that I have this day served the attached Administrative Law Judge's Ruling Soliciting Comments on Energy Division's Audit of the Interruptible Load Management Program Memorandum Account on all parties of record in this proceeding or their attorneys of record by electronic mail to those who provided electronic mail addresses, and by U.S. mail to those who did not provide email addresses.

Dated June 7, 2005, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

A.00-05-002 et al. MEG/tcg

TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.